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This report provides weekly updates in the seven key areas identified as pillars of US government policy in Iraq.

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Highlights



1.0 Transition to Security Self-Reliance

 Iraqi Army soldiers and MNF-I forces continue Operation Restoring Rights in Tal Afar. The operation, designed to provide stability and security in the city, has resulted in numerous insurgents captured and killed, as well as dozens of weapons caches discovered.

2.0 Support a Free and Democratic Iraq

 In a press release on September 19, the Special Representative of the Secretary-General in Iraq, Ashraf Qazi, described the adoption of a draft text for the permanent constitution of Iraq by the Transitional National Assembly as an important step. He urged the people of Iraq to participate in the October 15 referendum to exercise their democratic right of choice.

3.0 Provide Essential Services

 On September 14, the Iraqi government's contract committee approved an additional \$12 million in funding for the first fully functional, long-range civilian radar in Iraq. Raytheon is scheduled to complete the civilian radar system in December.

Highlights



4.0 Establish Foundation for a Strong Economy

• IMF held technical discussions with the ITG in Amman September 9-16 to review Iraq's progress under the EPCA program and proposals for the 2006 budget. Initial reports following the meeting indicate the IMF was satisfied with Iraq's current progress.

5.0 Promote the Rule of Law

 A nephew of Saddam Hussein was sentenced on September 19 to life in prison for funding Iraq's violent insurgency and for bomb-making, the government said in announcing the first verdict against a family member of the ousted leader.

6.0 Maintain International Engagement and Support

 Russia's Emergency Situations Ministry delivered 6.5 million packages of acetaminophen to Iraq as part of a joint Russian-German humanitarian operation from September 13-19.

7.0 Promote Strategic Communications

• The ITG-owned al-Iraqiya TV channel has significantly increased its coverage of Iraq reconstruction during primetime.

[1.0] Transition to Security Self-Reliance – Iraqi Security Forces



Iraqi Security Forces Update:

- Iraqi Army soldiers and MNF-I forces continue Operation Restoring Rights in Tal Afar. The operation, designed to provide stability and security in the city, has resulted in numerous insurgents captured and killed, as well as dozens of weapons caches discovered.
- On September 17, Iraqi Army troops and coalition forces apprehended and detained seven suspected insurgents in two separate operations in Fallujah.
- On September 14 and 15, Iraqi Security Forces in Baghdad responded to car bomb attacks throughout the city.
- The Iraqi Army added a dozen men to the ranks of its formally-trained noncommissioned officer (NCO) corps with the soldiers' graduation from the Iraqi Primary Leadership Development Course this month. This was the first class taught entirely by Iraqi Army instructors. Previously, US Army NCOs instructed the course.
- On September 10, Iraqi Police in Mosul repelled an enemy attack on their police station, killing one insurgent and wounding another.

[1.0] Transition to Security Self-Reliance – Iraqi Security Forces



Data as of September 19, 2005

Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	68 800
HIGHWAY PATROL	68,800
OTHER MOI FORCES	35,500
TOTAL	104,300*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	86,900
AIR FORCE	200
NAVY	700
TOTAL	87,800**

Total Trained & Equipped ISF:

192,100

- * Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers

[2.0] Support a Free and Democratic Iraq – Developments



Constitution Update:

- The Transitional National Assembly (TNA) approved a draft constitution on September 18, four weeks before the text is put to a national referendum.
- In a press release on September 19, the Special Representative of the Secretary-General in Iraq, Ashraf Qazi, described the adoption of a draft text for the permanent constitution of Iraq by the TNA as an important step. He urged the people of Iraq to participate in the October 15 referendum to exercise their democratic right of choice. Qazi also reiterated the UN's commitment to assist the transitional process in Iraq in accordance with relevant UN Security Council resolutions.

Elections Update:

- Following the final submission of the draft constitution on September 14, USAID partner the National Democratic Institute (NDI) dedicated its efforts to activities linked to the upcoming referendum and parliamentary election.
 - The Governance program conducted a series of consultations with members of Parliament on future training seminars and began a technical review of the constitution focusing on legal implications.
 - The Political Party program continued to train women on how to mobilize voters and conducted a number of in-depth consultations on campaign planning.
 - The monitoring report on voter registration was completed while final preparations were made prior to the official launch of the Constitution Awareness Program. WNGLASSIFFED

[2.0] Support a Free and Democratic Iraq – Developments

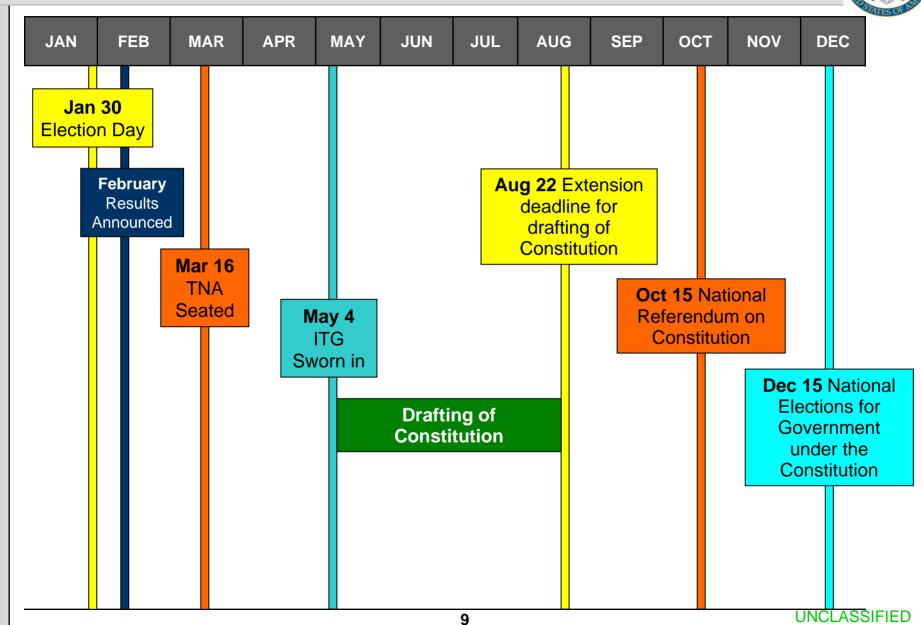


The Continuing Transitional Political Process:

Iraq's transitional political process is set down by the Transitional Administrative Law (TAL).

- The Transitional National Assembly (TNA) and Iraqi Transitional Government (ITG) will continue to serve as Iraq's national legislature and executive, respectively, until the election of a new government.
- The draft Constitution will be presented to the Iraqi people for approval in a national referendum by October 15, 2005.
- If the draft constitution is approved in the referendum, a national election for the first government under the constitution is to be held by December 15. If the referendum rejects the draft constitution, a national election for a new TNA is to be held by December 15; this Assembly will have the responsibility to write a new draft constitution.

[2.0] Support a Free and Democratic Iraq – Electoral Process Timeline



(F) = Female

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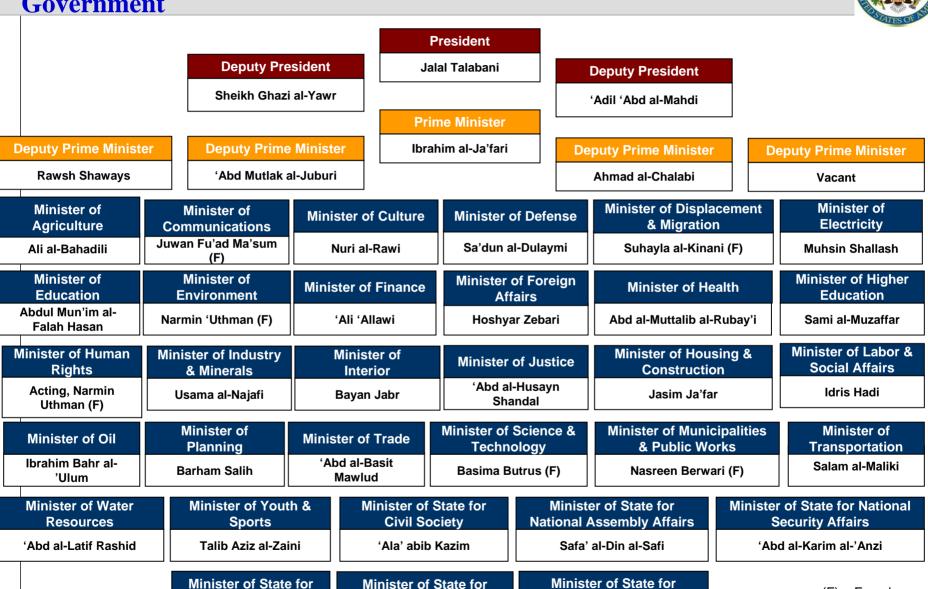
[2.0] Support a Free and Democratic Iraq - Iraqi Transitional

Provinces

Sa'd al-Hardan



Government



Tourism and Antiquities Hashim al-Hashimi

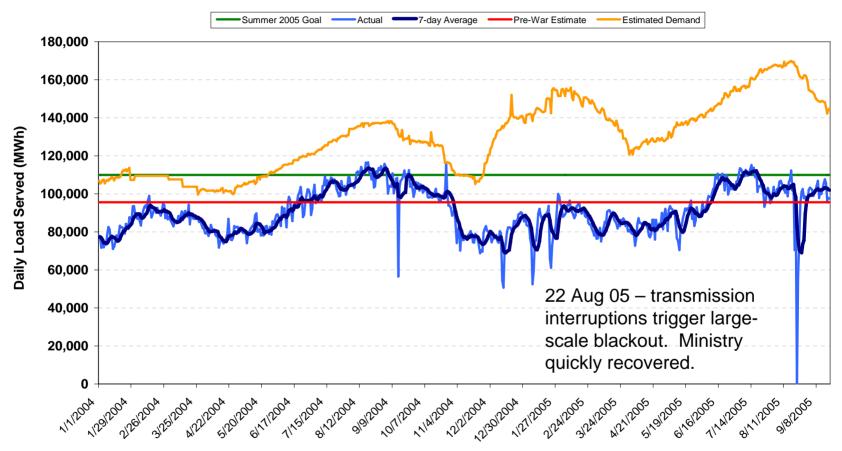
Women's Affairs

Azhar al-Shaykhli (F)

[3.0] Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Average daily electricity service decreased slightly in the last week (September 13-19) to 102,000 MWh.
- Baghdad average available electricity decreased to 11.9 hours with insurgent attacks on transmission infrastructure. The national average was 13.9 hours per day.
- Demand continues to decline with lower seasonal temperatures.

[3.0] Provide Essential Services – Electricity, Water and Sanitation



Electricity:

• USAID's \$20 million Power Plant Operations & Maintenance (O&M) Program has completed a series of training programs and will continue to provide spare parts and technical support through mid-2006. O&M serves as a short-term source of spare parts and technical support, while also providing for long-term improvement through training in the best operational practices and modern management techniques. To customize the curriculum, the trainees were broken down into four tiers, including Senior Management, Middle-Management, Plant Supervisory personnel and plant technician/operators. Course concepts ranged from strategic planning down to certification for instrument technicians. In addition, a two-week course for developing "train-the-trainer" skills was administered for 83 plant supervisors from across the ministry's 19 power plants.

Water and Sanitation:

- The Project and Contracting Office's (PCO) Nassriya Water Supply Project in Thi Qar province is now 43 percent complete. When completed the project will benefit 550,000 people.
- The Karbala Water Treatment Plant has finished construction. In addition to providing water to many of the residents of Karbala, this plant provides potable water to the millions of visitors who make the pilgrimage to the Hussein Shrine each year.

[3.0] Provide Essential Services – Oil, Health Care and Telecommunications



Oil:

 Crude production was 2.098 million barrels per day. Iraqi domestic refining capacity remains limited as refineries continue to ramp up after electricity outages at the end of August.

Health Care:

- Construction is ongoing for 142 new primary health care (PHC) facilities across Iraq. Under the Accelerated Iraq Reconstruction Program (AIRP), an additional two PHCs are under construction and nine have been completed. Currently, eight centers in Baghdad are slated to open in October.
- The Embassy is working with Ministry of Health to develop a comprehensive medical plan in preparation for the referendum and the elections in December.

Telecommunications:

• There are a total of 3,592,723 cell phone subscribers in Iraq. Prior to Operation Iraqi Freedom, there were no cell phone subscribers.

[3.0] Provide Essential Services – Transportation and Education



Transportation:

 The Project and Contracting Office (PCO) has completed 117 kilometers (km) of village roads in Iraq, out of 424 km planned. There are 107 village road projects programmed throughout Iraq of which 44 have been initiated and 61 are complete. The projects help provide stable, long-term employment to Iraqis in rural areas.

Education:

 PCO has completed 686 schools renovations to date and a further 104 are under construction. Under the AIRP, an additional 24 school renovations have been completed. A total of 840 schools renovations by PCO are planned.

[4.0] Establish Foundation for a Strong Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending September 16 closed with the following prices:
 - Basra Light at \$54.07/barrel
 Dated Brent at \$61.56/barrel
 - WTI Cushing at \$63.86/barrel
 Oman/Dubai at \$55.56/barrel
 - Kirkuk Crude at \$55.35/barrel

Employment Update:

The following chart shows the number of Iragis employed by USG-administered projects:

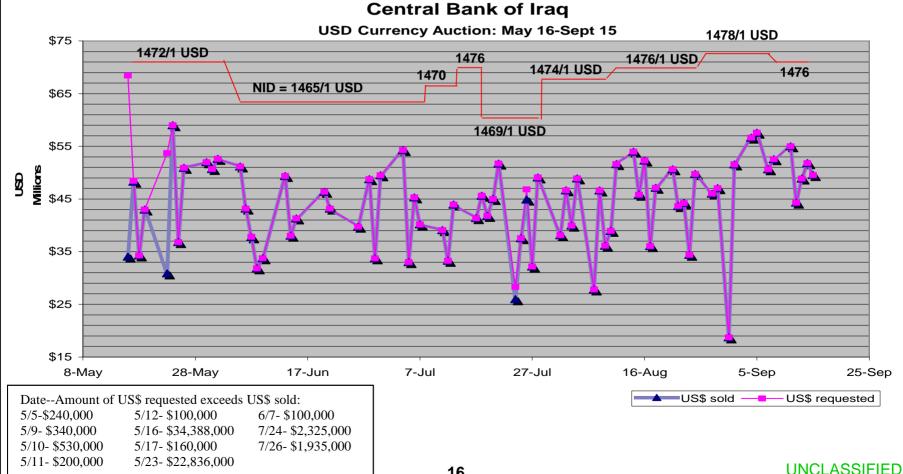
MNSTC-I	13,103	12,405	-5.3%
CERP* (Commanders' Emergency Response Program)	23,706	23,706	
MILCON (Military Construction)	328	316	-3.7%
AIRP (Accelerated Iraqi Reconstruction Program)	1,691	1,700	0.5%
USAID	39,990	53,211	33.1%
PCO (Project and Contracting Office)	31,129	32,276	3.7%
Employing Organization	Number of Iraqis Working Last Week	Number of Iraqis Working This Week	% Change on Week

[4.0] Establish Foundation for a Strong Economy - Banking Sector



Central Bank's USD Currency Auction:

- The following table shows volume sold/requested and exchange rates for USD in the Iraqi currency auction from May 16 through September 15.
- The exchange rate remained stable the week ending September 15 at 1,475 dinars per USD. The daily average amount traded was \$49,914,000.



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[4.0] Establish Foundation for a Strong Economy



<u>Iraqi Stock Exchange (ISX)</u>:

- On September 19, the ISX trading volume was 10,419,837 shares with a trading value of NID 524.5 million (\$355,563).
 - The banking sector comprised the largest volume and value of trading, with three banks trading 83,635,872 shares accounting for a trading value of NID 400.6 million (\$271,584).
 - The industry sector comprised the second largest volume of trading. Thirteen companies in this sector accounted for a trading volume of 23.8 million shares with a trading volume of NID 109.68 million (\$74,360).

[4.0] Establish Foundation for a Strong Economy



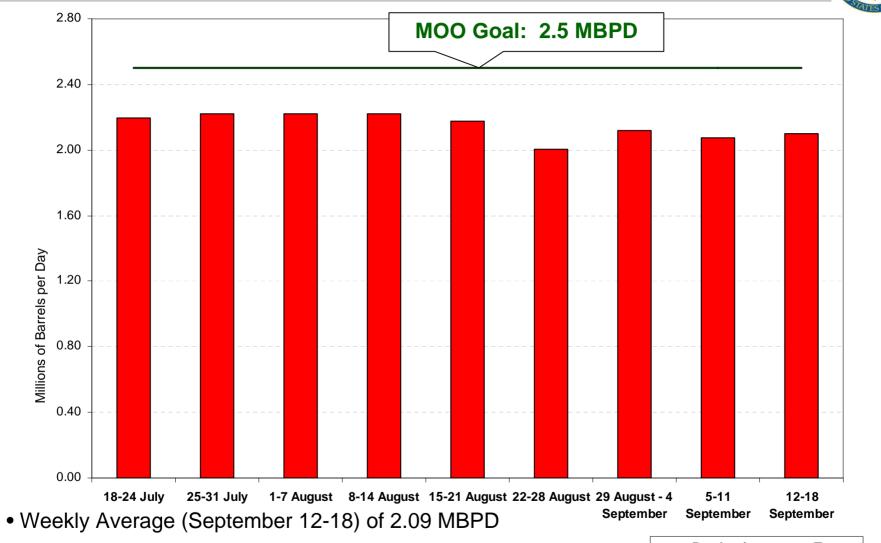
<u>Iraq Successfully Completes First Phase of Commercial Debt Restructuring:</u>

- On September 16, Iraq announced the successful completion of the first phase in the restructuring of Saddam-era commercial debt held before August 6, 1990.
- JP Morgan and Citigroup orchestrated the first phase of the deal that involves about \$750 million of debt owed to the private sector. About 78 percent of those who had claims on this amount accepted the offer, which will pay them 10.25 percent of the principle and past due interest. About two percent rejected the terms outright.
- Claims owed to the private sector amount to about 15 percent of the \$125 billion of total outstanding debt.

IMF and ITG Discussions on Iraq's Economic Reform Program Progressing:

• IMF technical discussions with the ITG in Amman September 9-16 on Iraq's progress under the EPCA program were positive. The IMF will meet again with the ITG on the margins of the September 23-25 World Bank/IMF annual meeting in Washington. Following these discussions we anticipate the IMF and Iraq will soon announce the beginning of discussions on a Stand-By Arrangement to follow the EPCA program.

[4.0] Establish Foundations for a Strong Economy – Crude Oil Production

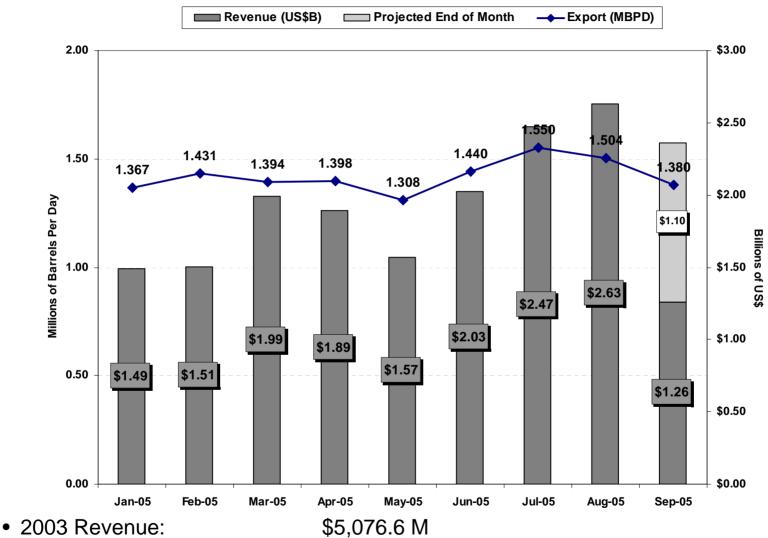


• Pre-War Peak: 2.5 MBPD in Mar 2003

Post-War Peak: 2.67 MBPD

[4.0] Establish Foundations for a Strong Economy – Crude Oil Export





2004 Revenue:

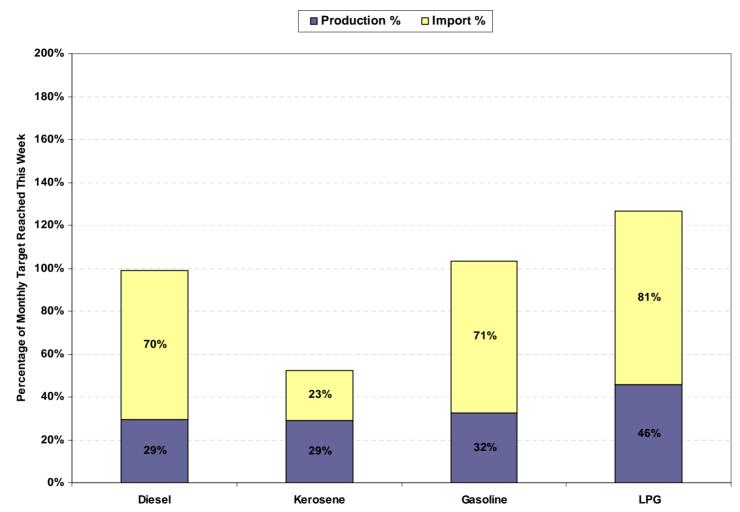
\$17,012.3 M

2005 Revenue:

\$16,835.0 M (cumulative for 2005)

[4.0] Establish Foundations for a Strong Economy – Refined Products





Note: This chart represents the average percentage of daily target reached for the week of September 11-18

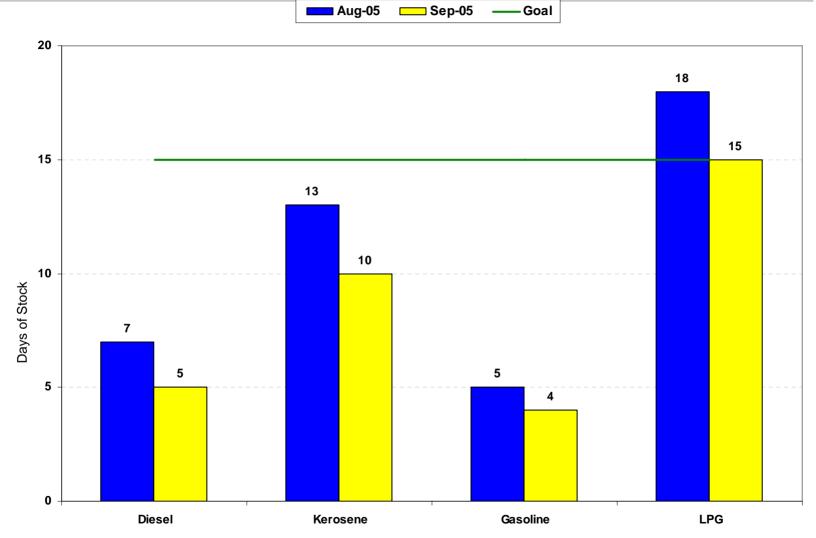
Diesel: 17.8 ML of 18 ML

• Gasoline: 18.6 ML of 18 ML

Kerosene: 4.2 ML of 8.0 ML

• LPG: 5,439 tons of 4,300 tons

[4.0] Establish Foundations for a Strong Economy – National Stock Levels



• The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

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[4.0] Establish Foundation for a Strong Economy –Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



Data as of September 21, 2005

Data as of September 21, 2005											
\$Millions	Apporti	oned	Committed Obligated			Disbursed					
Sector	2207 Report	Apportion	Last Veek	Current	Change	Last Veck	Current	Change	Last Veek	Current	Chang
Security and Law Enforcement	5018	5,018	4,966.2	4,954.3	(11.90)	4,626.2	4,648.2	21.92	3,503.4	3,557.7	54.3
Electricity Sector	4318	4,067	3,886.5	3,888.6	2.09	2,681.3	2,683.0	1.70	1,544.8	1,598.1	53.3
Oil Infrastructure	1723	1,723	1,651.4	1,614.5	(36.89)	1,223.7	1,223.9	0.12	504.1	509.3	5.2
Justice, Public Safety and Civil Society	1247	1,247	1,171.9	1,166.0	(5.81)	1,038.4	1,047.9	9.49	526.6	532.6	5.9
Democracy	941	942	919.7	919.6	(0.12)	883.6	894.3	10.62	596.2	597.5	1.4
Education, Refugees, Human Rights, Governance	363	363	335.1	334.9	(0.20)	319.4	319.5	0.19	140.9	141.2	0.2
Roads, Bridges and Construction	334	334	276.2	276.4	0.28	208.9	215.7	6.82	135.2	137.6	2.4
Health Care	786	786	778.6	776.3	(2.30)	592.8	595.0	2.13	218.2	232.2	14.1
Transportation and Communications	509	509	500.6	500.7	0.10	420.7	420.7	0.00	164.3	165.6	1.3
♥ater Resources and Sanitation	2147	1,819	1,811.9	1,811.8	(0.10)	1,463.2	1,463.2	0.05	352.2	367.6	15.
Private Sector Development	840	840	804.2	792.5	(11.70)	783.7	773.9	(9.81)	498.7	501.4	2.5
Admin Expense (USAID, STATE)	214	214	92.5	92.5	0.00	92.5	92.5	0.00	51.8	51.8	0.1
TOTAL	18439	17,862	17,195.0	17,128.4	(66.55)	14,334.5	14,377.7	43.22	8,236.3	8,392.5	156
IRRF 2 Construction			10,113.0	10,065.6	(47.41)	7,802.2	7,829.6	27.35	3,935.4	4,034.7	99.
IRRF 2 Non-Construction			6,162.3	6,143.3	(19.02)	5,648.6	5,653.9	5.25	3,704.8	3,760.3	55
IRRF 2 Democracy			919.7	919.6	(0.12)	883.6	894.3	10.62	596.2	597.5	1.4
IRRF 1 Subtotal	2473	2,473.3	2,473.3	2473.30	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.
Grand Total IRRF 1 & 2	20912	20,335.2	19,668.3	19601.73	(66.55)	16,807.8	16,851.0	43.22	10,642.9	10,799.1	156

[5.0] Promote the Rule of Law – Iraqi Judicial System



Nephew of Saddam Hussein Sentenced to Life in Prison:

• A nephew of Saddam Hussein was sentenced September 19 to life in prison for funding Iraq's violent insurgency and for bomb-making, the government said in announcing the first verdict against a family member of the ousted leader. Ayman Sabawi, the son of Sabawi Ibrahim al-Hassan, a half brother of Saddam, was captured in May by security forces during a raid on Tikrit, the former leader's hometown. His father, Al-Hassan, who served as a presidential adviser before the US-led invasion, was captured there two months earlier.

Warrant Expected for Iraq's Former Defense Minister:

 Reuters reports that Iraqi authorities are expected to issue an arrest warrant for the country's former defense minister, Hazim Shaalan, in connection with the disappearance of more than \$1 billion, a top corruption investigator said on September 19.

[6.0] Maintain Int'l Engagement & Support – Developments



Russia Sends Humanitarian Cargo to Iraq:

• The Russian Emergency Situation Ministry's international department director Yury Brazhnikov said that "During the period between September 13 and 19, Russia's Emergency Situations Ministry's airplanes made three flights to the province of Kurdistan in northern Iraq to deliver a large shipment of paracetamol." Paracetamol, also known as acetaminophen, was delivered as part of a joint Russian-German humanitarian operation and is intended for Iraqis throughout the country.

Norway Announces Troop Withdrawal:

 Norway's incoming prime minister Jens Stoltenberg has told President Bush that he will withdraw the 20 Norwegian soldiers stationed in Iraq when he takes office in mid-October.

World Bank Considering Return to Iraq:

• The World Bank announced on September 19 that it was considering whether to send a full-time international staff back to Iraq. A decision will reportedly be made in the next few weeks.

[6.0] Maintain Int'l Engagement & Support – Contributors to Iraqi Stability Operations



Data as of September 14, 2005

29 Multi-National Forces – Iraq (MNF-I) Contributors (in addition to US)

Albania	El Salvador	Lithuania	Portugal
Armenia	Estonia	Macedonia	Romania
Australia	Georgia	Moldova	Singapore
Azerbaijan	Italy	Mongolia	Slovakia
Bosnia-Herzegovina	Japan	Netherlands	South Korea
Bulgaria	Kazakhstan	Norway	Ukraine
Czech Republic	Latvia	Poland	UK
Denmark			

TOTAL ~ 22,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

30 Countries and NATO

(including US)

Support Iraqi Stability Operations

[7.0] Promote Strategic Communications – Developments



Strategic Communications:

- The ITG-owned al-Iraqiya TV channel has significantly increased its coverage of Iraq reconstruction during primetime. Officially accountable to an appointed board, al-Iraqiya is directly linked to PM Ja'afari. al-Iraqiya has expanded its coverage of reconstruction to appear on a regular basis on the evening news, between 6:00 8:00 p.m. Mini-documentaries on reconstruction are also being aired. Other reconstruction topics shown recently on al-Iraqiya include the Erbil water treatment plant, the Qudas and Bayji power plants, Iraqi Army bases, health clinics, post offices, fire stations, and the Baghdad International Airport. Iraqiya remains the leading terrestrial TV station in Iraq.
- On September 18, National Democratic Institute launched the Constitution Awareness Program. In all of the 6,000 constitution awareness sessions expected to take place throughout Iraq until the October 15 referendum, facilitators will be using simplified handouts on the content of the constitution. Under the program, 100,000 copies of *Guide to the Constitution* are being printed in Arabic and Kurdish to explain each article of the constitution using simple and accessible language. A ten-question survey will also be given to each of the 100,000 individuals expected to participate in the program.

Iraq Weekly Status – General Information



• This brief draws from multiple sources. References are cited on the respective pages in the "Notes Page" section (View → Notes Page).

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

Notes and Source Citations (1 of 5)



Slide 5:

- -MNSTC-I "The Advisor", September 17, 2005
- -The New York Times, "Multiple Attacks Kill Nearly 150 in Iraqi Capital" by Robert F. Worth and Richard A. Oppel, Jr., Sept. 15, 2005
- -MNSTC-I Press Release, "AIF Nabbed in Fallujah", September 18, 2005

Slide 6:

DoD Input to Iraq Weekly Status Report, September 21

Slide 7:

- CENTCOM and UNAMI Morning Press Clippings, September 19, 2005
- UNAMI Press Release, The Special Representative of the Secreatary-General urges the Iraqi people
- to exercise their democratic right in the forthcoming referendum. September 19, 2005
- FBIS: "IECI Signs \$46 Million Logisitc Support Contract for Referendum, Elections," September 13, 2005.

Slide 8:

- Transitional Administrative Law for Iraq

Slide 11

- POC Krista Donaldson, (202) 647-5213
- The chart shows average daily power production in megawatt hours (MWH). 120,000 MWH goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:

- Information regarding the Power Plant O & M comes from the Portal Iraq website
 (http://www.portaliraq.com/news/Program+invests+%2420+million+in+Iraq+repairs__1111477.html).
- Information regarding the Nassriya water supply project and other water treatment projects comes from the PCO 19 September 2005 update.

Notes and Source Citations (2 of 5)



Slide 13:

- Information on the Iraqi oil status comes from the US Army Corp of Engineer report 20 Sept 05.
- Information regarding the PHC construction comes from the PCO 19 September 2005 update.

Slide 14:

- Information regarding the village road construction comes from the PCO 19 September 2005 update.
- Information regarding the School renovations comes from the PCO 19 September 2005 update.

Slide 15:

- Information regarding the IRMO microfinance program was sourced from the Embassy Baghdad Economics Report – September 20, 2005.
- Information regarding the Employment Update was sourced from the IRMO Weekly Report –
 September 21, 2005

Slide 16:

- Information regarding NID and T-Bill auctions were gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.
- Information regarding he CBI announcement was sourced from the CBI Announcement 446 May 16, 2005.

Notes and Source Citations (3 of 5)



Slide 17:

- Information regarding the ISX was sourced from www.isx-iq.net
- <u>Iraqi Securities Exchange</u>:
- Information regarding trademark registration was sourced from the Embassy Baghdad Economics Report – September 19, 2005.

Slide 18:

 Information regarding Iraq's commercial debt restructuring was sourced from the <u>Financial Times</u> – September 16, 2005.

Slide 19

- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.
- Iraq Petroleum Sector Facts:
- There are three main refineries in Iraq: Bayji (North), Daura (Baghdad), and Basra (South).
- There are several minor refineries (known as topping plants) dotted through the country: Kisik (Mosul), Qarrayah, Haditha, Tikrit, Nassiriyah, Maysan (Amarah). These primarily produce asphalt and low grade kerosene and diesel.
- The majority of Iraq's oil infrastructure is antiquated and in need of modernization.
- Domestically produced refined products (gasoline/benzene, diesel, kerosene, LPG) currently do not meet domestic demand because of sabotage to the pipeline infrastructure. Iraq will be dependent upon imports until the insurgents cease operations against oil pipelines.

Notes and Source Citations (cont. 4 of 5)



Slide 20:

- POC Matthew Amitrano, (202) 647-5690
- For the 2004 revenue, this already deducts the 5% war reparations to Kuwait. If included in revenue, the total would be \$17.5B.
- June 2005 increased once Northern Export data was processed into the calculation.

Slide 21:

POC Matthew Amitrano, (202) 647-5690

Slide 22:

POC Matthew Amitrano, (202) 647-5690

Slide 23:

- Financial Status Chart taken from the IRMO Weekly Update, September 21, 2005

Slide 24:

- http://abcnews.go.com/International/wireStory?id=1138833
- Reuters report from Baghdad on September 19,2005.

Slide 25:

- The Advisor September 3, 2005 Iraqi police recruits graduate from Jordan training center
- FBIS, Russia sends more humanitarian aid to Iraq, September 20, 2005
- Relief Web, Norway to withdraw troops from Iraq, September 16, 2005

Slide 26:

DoD Weekly Input to Iraq Weekly Status Report

Notes and Source Citations (cont. 5 of 5)



Slide 27:

- Official Informal from Baghdad, September 15
- National Democratic Institute Weekly Iraq Update, September 20.